



Understanding the DLGF

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Department of Local Government Finance

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Who is the DLGF and what does it do?

- Commissioner Timothy J. Rushenberg
 - Oversees the operations of the Department and serves as a member of the Property Tax Replacement Fund Board and the Distressed Unit Appeals Board.
- Assessment Division
 - Promotes consistent assessing procedures across the state by providing guidance and technical instruction and securing compliance with the law to ensure fair and equitable assessment of property for taxpayers
- Budget Division
 - Works closely with local officials in preparing their annual budgets and provides recommendations to the Commissioner on matters related to budgets, rates, levies, exceptions to property tax controls and taxpayer exceptions to tax rate increases



Who is the DLGF and what does it do?

- **Communications Division**
 - Supports communications and public relations activities that serve to promote understanding of property tax assessment and local government budgeting by local officials and taxpayers.
- **Legal Division**
 - Drafts and publishes property tax assessment rules and interprets statutory law to ensure property tax assessments and local government budgeting are carried out in accordance with Indiana law and DLGF rules and regulations
- **Operations Division**
 - Researches and analyzes all areas of property taxation to ensure the fair and equitable distribution of the property tax burden



Who is the DLGF and what does it do?

- Ensures property tax assessment and local government budgeting follow Indiana law.
- Publishes property tax assessment rules
- Annually reviews and approves tax rates and levies of every political subdivision including all counties, cities, towns, townships, school corporations, libraries and other entities with tax levy authority
- TOP PRIORITY: ON TIME PROPERTY TAX BILLING – a joint effort with local county officials



Who is the DLGF and what does it do?

- Core Values
 - Put taxpayers first.
 - Respect local control.
 - Excellence in all that we do.



Who is the DLGF and what does it do?

■ Core Competencies

1. Know Your Job
2. Work as a Team
3. Serve the Taxpayers
4. Enforce Assessment Standards
5. Make Sure Data Submission Deadlines are Met
6. Ensure Budget Processes are Followed and Levy and Rate Controls Enforced
7. Provide Guidance and Interpret Laws but Respect Local Control

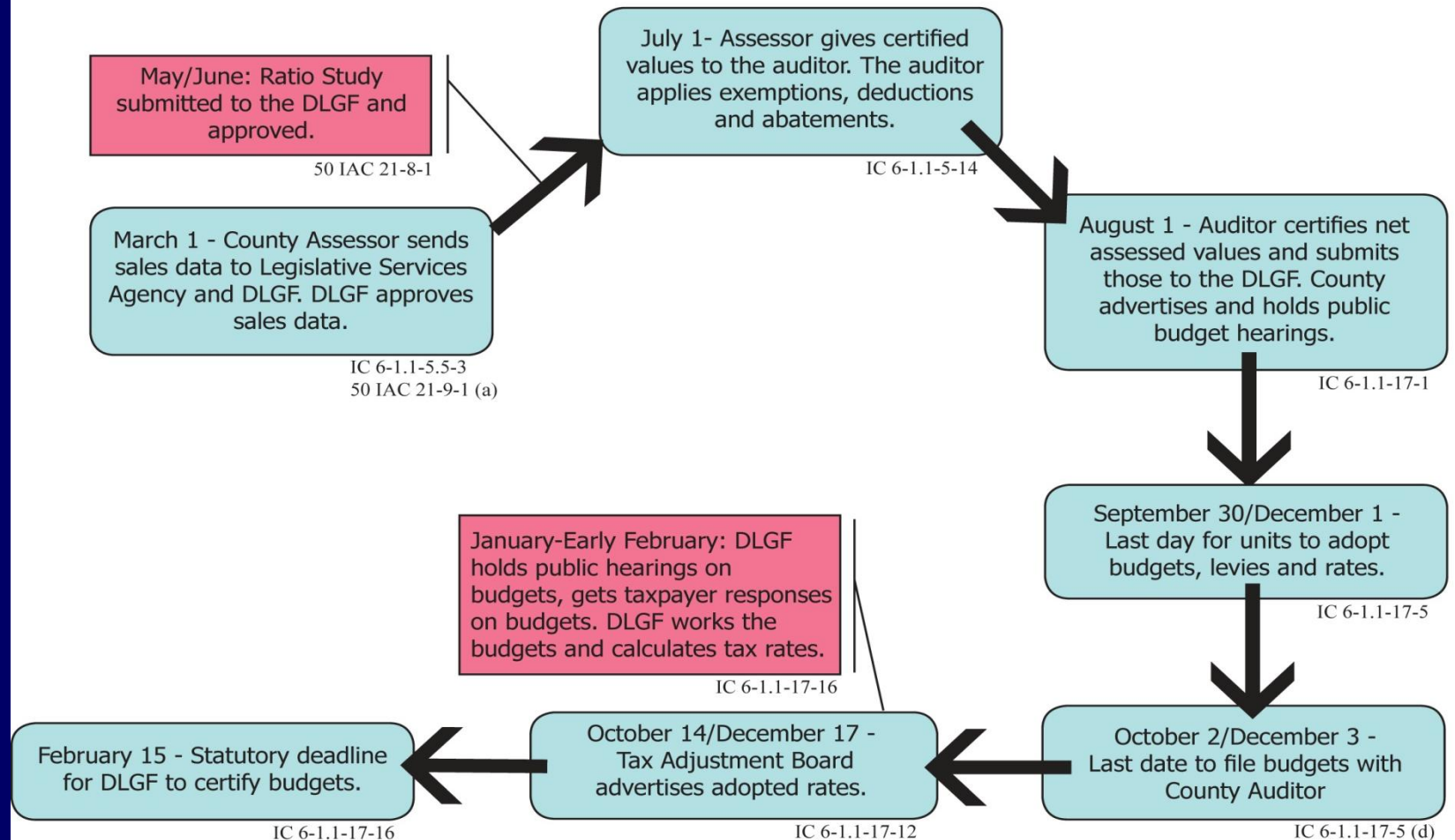


What data is requested from the counties each year, and how is that data used by DLGF and LSA?

Data Requested	Responsible Party	Filing Deadline	Data Use
All Sales Disclosure Data <i>IC 6-1.1-5.5-3; 50 IAC 21-9-1(a)</i>	County Assessor	March 1	To complete annual adjustments, sales ratio studies, equalization, adoption of rules
Tax duplicate information for all real and personal property returns <i>IC 36-2-9-20</i>	County Auditor	March 1	To determine how much property tax actually was billed and to provide a county wide snapshot of property tax billing
Statement certifying the Net Assessed Valuation of the County <i>IC 6-1.1-17-1</i>	County Auditor	August 1	Used in the certification of the county's proposed budgets, rates and levies
Duplicate copies of all approved exemption applications <i>IC 6-1.1-11-8(a)</i>	County Auditor	August 1	Used for the exemption audit report and to provide exemption data to the Indiana General Assembly
All parcel characteristics, parcel assessments, the personal property return characteristics, and assessments <i>IC 6-1.1-4-25(b); 50 IAC 21-9-1(b)</i>	County Assessor	October 1	To complete periodic field surveys and audits, conduct test checks of property valuations, complete coefficient of dispersion studies, and conduct a sales assessment ratio study
Form 15 (Shows the assessed valuation of the different personal property classifications in a particular county.) <i>IC 6-1.1-3-18</i>	County Assessor	October 31	Used for policy decisions and analysis of personal property

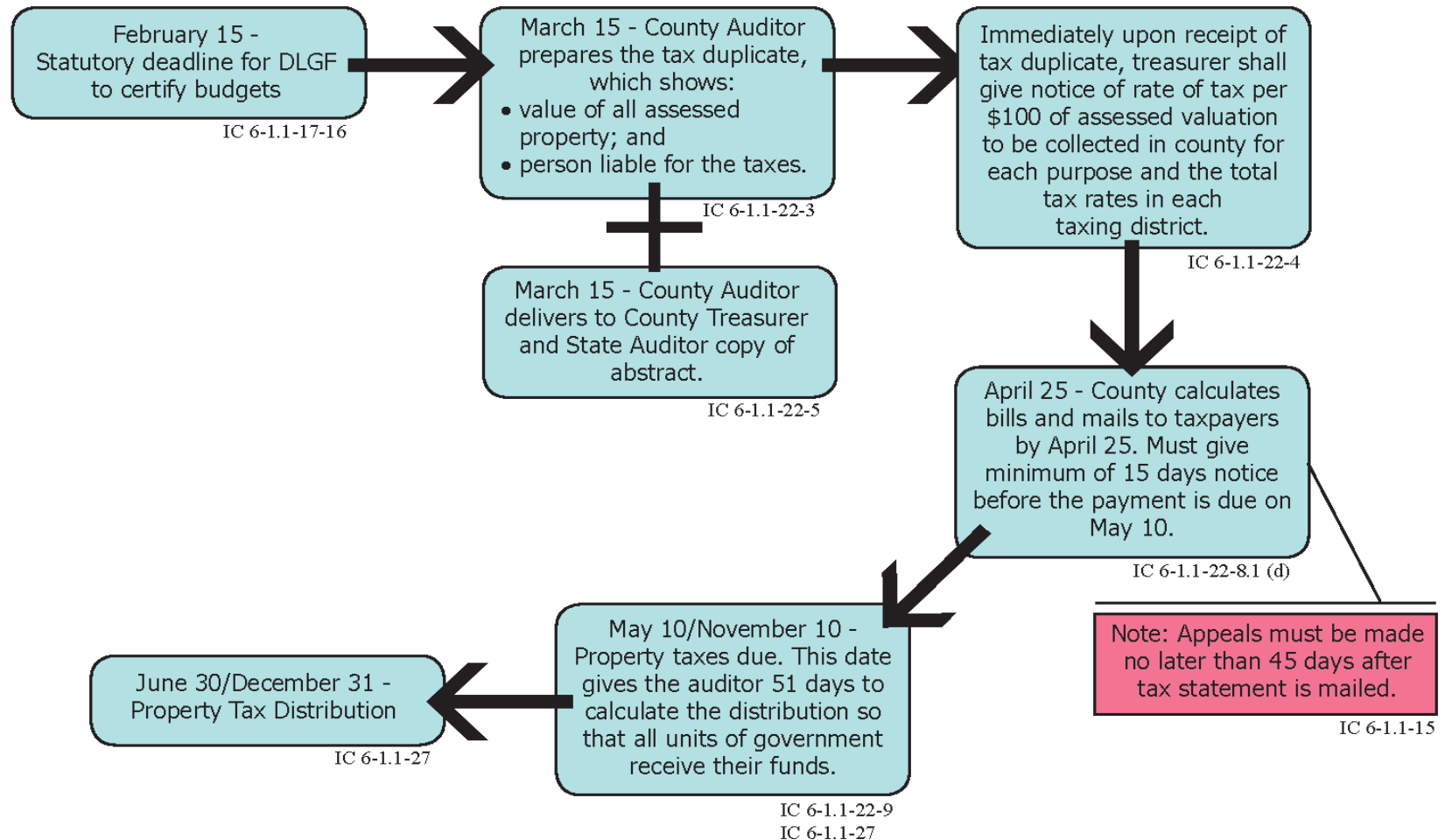


What is the tax assessment to billing process, and who is involved?





What is the tax assessment to billing process, and who is involved?





Assessment

- Director Barry Wood
 - Phone: 317.232.3762
 - E-mail: bwood@dlgf.in.gov
- Assessment Division Deals with:
 - Adjudications (Personal Property)
 - Equalization (Ratio Studies for the Annual Adjustment process)
 - Mobile Home / Personal Property / Real Property / Agricultural Land / Utility Assessment Questions
 - Abatements – Personal Property
 - Appeal Questions
 - Investment Deduction Questions



Some Assessment-related Deadlines

- Jan. 15 – Annually assessed mobile home assessment date. IC 6-1.1-1-2.
- March 1 – Assessment date for all tangible property except annually assessed mobile homes. IC 6-1.1-1-2.
- April 15 – Last day counties wishing to use a professional appraiser as a contractor to perform any of the various assessing duties for the 2011 General Reassessment may enter into a contract agreement. IC 6-1.1-4-20.
- July 1 – 2011 General Reassessment begins. IC 65-1.1-4-4 (b).
- Dec. 31 – Last day applications for assessed value deductions and credit can be filed with county auditor or county assessor, if application on the sales disclosure form. IC 6-1.1-12-44, -45.
- A full list of assessment-related deadlines is available on DLGF Web site at <http://www.in.gov/dlgf/2444.htm>.



What is reassessment?

Reassessment (IC 6-1.1-4-4(b))

- Assessors physically inspect each property to ensure that records are correct
- Inspection accomplishes the gathering of data appropriate to value the property
 - Does this property still have a free-standing garage and an in-ground pool?
 - Is the building on this property still 1,200 square feet or has it increased/decreased in size?
- Next statewide general reassessment scheduled to begin July 1, 2009 for 2011pay2012 tax bills



What is trending?

Trending (*i.e. annual adjustment*)

- Property values are adjusted (the adjustment can be positive or negative) on an annual basis to bring them closer to market value-in-use. The assessing official uses sales of properties in a neighborhood, area, or class of property from the previous two (2) years to determine the adjustment factor.
- In the past, assessed values were adjusted only after a reassessment, which came as far apart as 10 years. Trending now occurs every year.



Reassessment vs. Trending

- Trending was implemented to supplement, not replace, the reassessments, which current law calls for every 5 years
- Without trending, reassessments resulted in dramatic shifts in assessed values because the values of properties were typically only adjusted during a reassessment year
- Trending requires the assessor to annually adjust the value of the property based on market value-in-use



How does trending work?

	Property Sales																	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009			
Tax Year																		
2009 Pay 2010													2009 Pay 2010					
2008 Pay 2009												2008 Pay 2009						
2007 Pay 2008											2007 Pay 2008							
2006 Pay 2007 (3)										2006 Pay 2007 (3)								
2005 Pay 2006						No Sales from these years used; No change to 2001 Pay 2002 Values												
2004 Pay 2005																		
2003 Pay 2004																		
2002 Pay 2003 (2)				2002 Pay 2003 (2)														
2001 Pay 2002		Market Value did not apply; no change in values until 2002																
2000 Pay 2001																		
1999 Pay 2000																		
1998 Pay 1999																		
1997 Pay 1998																		
1996 Pay 1997																		
1995 Pay 1996 (1)	1995 Pay 1996 (1)																	

NOTES:

(1) Reassessment

(2) First use of Market Value

(3) First Annual Trending



How does trending work?

- Each year, the assessed value is multiplied by a neighborhood factor.
- Values can go up. . .

2008 assessed value:	\$100,000
Neighborhood factor:	<u>x 1.1</u>
2009 assessed value:	\$110,000



How does trending work?

- Each year, the assessed value is multiplied by a neighborhood factor.
- Values can go up. . .
...or down.

2008 assessed value:	\$100,000
Neighborhood factor:	<u>x 0.9</u>
2009 assessed value:	\$90,000



How does trending work?

- Whether values go up or down depends on recent sales prices:

Prices rise



Factor rises



Prices fall



Factor falls





What is a Ratio Study?

- A comparison between sales and assessed values in the county to ensure that market values are being used to determine assessed values.
- Determines if assessments are accurate and equitable (mass appraisal basis).
- Standards can be found in 50 IAC 21.



Who handles property tax appeals?

- Assessors and Property Tax Assessment Board of Appeal (PTABOA) handle appeals at the local level.
- The Indiana Board of Tax Review (IBTR) is the state agency charged with deciding property tax assessment appeals.
- IBTR addresses appeals contesting:
 - Real property assessments
 - Personal property assessments
 - Denials or grants of exemptions, deductions and refunds.
- IBTR lacks jurisdiction to address appeals where taxpayers contest only their tax bill and not their property's assessment
- Property tax appeals process information can be found on the Web site, <http://www.in.gov/dlgf/2508.htm>.



Budget

- Director – Vacant Position
- Assistant Budget Director Dan Jones
 - Phone: 317.232.0651
 - E-mail: djones@dlgf.in.gov
- Budget Division Deals with:
 - CAGIT / CEDIT/ COIT/ LOIT related questions
 - Tax Rates and Values / Levies
 - TIF / Fire protection territories and districts / other special districts
 - Annexations
 - Assessed Value Certification Process (AV's)
 - Bonds / Additional Appropriations/ Tax Control Boards
 - Provisional Billing



Some Budget-related Deadlines

- Feb. 15 - DLGF to certify budgets, rates, and property tax levies for taxes due and payable in current year. IC 6-1.1-17-16.
- July 31 – Last day to adopt ordinance establishing, increasing or decreasing COIT, CAGIT, or CEDIT rates. IC 6-3.5.
- Sept. 30 – Deadline for units to adopt budgets, rates and levies. IC 6-1.1-17.5
- Oct. 1 – Effective date for new LOITs imposed before July 31. IC 6-3.5
- Dec. 31 – Deadline for units to file shortfall excess levy appeals. IC 6-1.1-18.5-16
 - Last day applications for assessed value deductions and credit can be filed with county auditor or county assessor, if application on the sales disclosure form. IC 6-1.1-12-44, -45.
- A full list of budget-related deadlines is available on DLGF Web site at <http://www.in.gov/dlgf/2444.htm>.



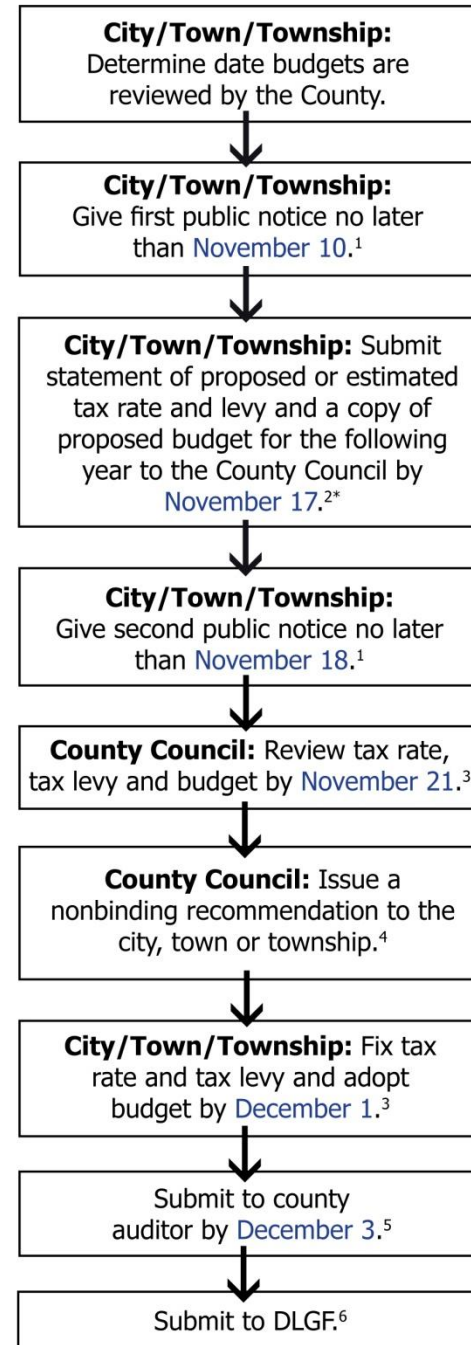
How does the budget

process work?

Footnotes available on flowchart located at
<http://www.in.gov/dlgf/7176.htm>

* Timeline based on December 1, 2008
budget adoption deadline for 2009 local
budgets.

City, Town and Township Budget Approval Process





How many property tax deductions/credits are available?

- 21 deductions/ credits available for property tax payers
 - Homestead Standard Deduction / Supplemental Homestead Deduction
 - Mortgage Deduction
 - Over 65 Deduction/ Over 65 Circuit Breaker Credit
 - Blind or Disabled Deduction
 - Disabled Veteran Deduction
- DLGF Property Tax Deductions Page
 - <http://www.in.gov/dlgf/2344.htm>
 - Includes FAQs, Reference PowerPoints, Fact Sheet for taxpayers, Forms, and more!



What is a 1782 notice/period?

- DLGF gives political subdivision written notice of any revision, reduction or increase proposed in the subdivision's tax levy or rate.
- Political Subdivision has 2 weeks to respond to the DLGF.
- DLGF considers the adjustments as specified in the response and delivers a final decision to the political subdivision.



Contact The Department

- Telephone: 317.232.3777
- Fax: 317.232.8779
- Web site: www.in.gov/dlgf
 - “Contact Us” : www.in.gov/dlgf/2338.htm